

Saint Louis University Public Law Review

Volume 29

Number 2 *The Future of Immigration Law and
the New Administration (Volume XXIX, No. 2)*

Article 12

2010

Notice, Takedown, and the Good-Faith Standard: How to Protect Internet Users from Bad-Faith Removal of Web Content

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Recommended Citation

Wilson, Benjamin (2010) "Notice, Takedown, and the Good-Faith Standard: How to Protect Internet Users from Bad-Faith Removal of Web Content," *Saint Louis University Public Law Review*. Vol. 29 : No. 2 , Article 12.

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**NOTICE, TAKEDOWN, AND THE GOOD-FAITH STANDARD:
HOW TO PROTECT INTERNET USERS FROM BAD-FAITH
REMOVAL OF WEB CONTENT**

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I. INTRODUCTION

At the time of this writing, 12 years have passed since Congress enacted Title II of the Digital Millennium Copyright Act (“DMCA”),¹ which was intended to balance the urgent need for copyright protection on the Internet² against the equally pressing need to protect Internet service providers (“ISPs”) from secondary liability for copyright infringement.³ The rights of three parties are involved: (1) copyright owners, who create expressive works for publication, (2) ISPs, who provide access to the Internet and services on the Internet, and (3) Internet users.

Congress’s balancing Act resulted in a “safe harbor” provision within the DMCA for ISPs.⁴ According to the provision, as long as ISPs promptly respond to allegations of copyright infringement sent to them by a copyright

1. 17 U.S.C. § 512 (2006).

2. *Rossi v. Motion Picture Ass’n of Am.*, 391 F.3d 1000, 1003 (9th Cir. 2004) (citing S. REP. NO. 105–190 at 21 (1998)).

3. *Online Policy Group v. Diebold, Inc.*, 337 F. Supp. 2d 1195, 1200–01 (N.D. Cal. 2004).

4. § 512.

owner, they are protected from liability for having hosted and distributed any infringing material uploaded by Internet users.⁵

An issue has arisen that reveals a thumb on the balance scale in favor of two parties—copyright owners and ISPs—at the expense of the third—Internet users. The DMCA permits the party who is in the best position to assess whether infringement is taking place, the copyright owner,⁶ to remove content from the Internet quickly while bearing little burden of showing any actual copyright infringement.⁷ The copyright owner sends what is known as a “takedown” notification to the ISP to have the allegedly infringing content removed. Upon receiving the notification, the ISP removes the content and is absolved of liability. But the copyright owners need only have a subjective good-faith belief that their work is being infringed in order to send the takedown,⁸ and subjective good faith is a low threshold for an extrajudicial process, particularly when free speech is at stake.⁹

Takedowns often mask ulterior motives, such as silencing criticism of a religion.¹⁰ Copyright owners are sending takedown notifications by the millions,¹¹ removing the online content of business competitors,¹² video

5. § 512(c)(1)(C) (“A service provider shall not be liable for monetary relief . . . for infringement of copyright by reason of the storage at the direction of a user of material that resides on a system or network controlled or operated by or for the service provider, if the service provider . . . upon notification of claimed infringement . . . responds expeditiously to remove, or disable access to, the material that is claimed to be infringing or to be the subject of infringing activity.”). There are other requirements for safe harbor that are not the subject of this paper. For instance, the ISP must not have actual knowledge of infringing material. § 512(c)(1)(A)(i).

6. See *Perfect 10, Inc. v. CCBill LLC*, 488 F.3d 1102, 1113 (9th Cir. 2007) (“The DMCA notification procedures place the burden of . . . identifying the potentially infringing material . . . squarely on the owners of the copyright.”); see also 3 MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT § 12.11 (Matthew Bender, Rev. Ed.) (In copyright-infringement litigation, “the plaintiff bears the burden of proof on the *prima facie* case”).

7. See *Rossi*, 391 F.3d at 1007 (holding that the DMCA requires only a subjective good-faith belief by the copyright holder that online content is infringing).

8. § 512(c)(3)(A)(v).

9. See Jennifer M. Urban & Laura Quilter, *Efficient Process or “Chilling Effects”? Takedown Notices Under Section 512 of the Digital Millennium Copyright Act*, 22 SANTA CLARA COMPUTER & HIGH TECH. L.J. 621, 682 (“[T]he implications for expression on the Internet of this extrajudicial process appear, from our limited data, significant. Removal of speech from the Internet, with very little or no process, is a strong remedy for allegations of infringement.”).

10. See Nate Anderson, *Scientology Fights Critics with 4,000 DMCA Takedown Notices*, ARS TECHNICA, Sept. 8, 2008, <http://arstechnica.com/old/content/2008/09/scientology-fights-critics-with-4000-dmca-takedown-notices.ars>; Doug Bedell, *Marketers Join Fight on Spam*, THE DALLAS MORNING NEWS, Nov. 7, 2002, at 3D (“The Church of Scientology got Google to remove links to certain Web sites critical of the religion, citing potential violations of the Digital Millennium Copyright Act.”).

11. Kevin J. Delaney, *YouTube Magic: Now You See It, Now You Don’t: Hired Eyes Make Sure that Copyrighted Videos Are Yanked from the Web*, WALL ST. J., Aug. 8, 2007, at A1 (copyright-enforcement company Bay TSP sends over one million takedown notices each month).

bloggers,¹³ hobbyists,¹⁴ critics,¹⁵ and others engaging in political speech—including both presidential candidates in 2008.¹⁶ For example, during the Olympics in Beijing, the International Olympic Committee ordered the removal of a protest video by Students for a Free Tibet.¹⁷ The video's title suggested the video contained copyrighted Olympic footage.¹⁸ Instead it was the students protesting China's policies. Either the International Olympic Committee never watched the video or the real reason for the takedown was to silence the students. The problem is that copyright owners do not need to meet any objective criteria when accusing Internet users of copyright infringement.

The forgotten party in the notice-and-takedown exchange is the innocent Internet user whose material vanishes from the Internet. The DMCA does include a "putback" provision for Internet users that allows them to restore their content by sending a counter notification,¹⁹ but ISPs are not required to inform users how to use it,²⁰ and consequently it receives little use.²¹ Moreover, the putback provision will not always help Internet users because

12. *Biosafe-One, Inc. v. Hawks*, 524 F.Supp.2d 452, 458 (S.D.N.Y. 2007); Urban, *supra* note 9, at 651 (the authors' data show that 55% of the takedown notices sent to the Google search engine were competitor related).

13. Wendy Seltzer, *DMCA "Repeat Infringers": Scientology Critic's Account Reinstated After Counter-Notification*, CHILLING EFFECTS, June 6, 2008, <http://www.chillingeffects.org/weather.cgi?WeatherID=605>.

14. *See, e.g., Lenz v. Universal Music Corp.*, 572 F. Supp. 2d 1150, 1151–52 (N.D. Cal. 2008).

15. *See, e.g., Michael Geist, Canada Post Plays Grinch in Censorship Row*, THE TORONTO STAR, Jan. 26, 2009, at B02, available at <http://www.thestar.com/sciencetech/article/577112> (The *Canada Post* sent a takedown notification to remove a video criticizing the Post's CEO); Kembrew McLeod, *Uri Geller Bends the Web to His Will: The 'Psychic' May Be Abusing Copyright Law to Make Embarrassing Clips Vanish*, L.A. TIMES, Sept. 18, 2007, at A21.

16. Lawrence Lessig, *Copyright and Politics Don't Mix*, N.Y. TIMES, Oct. 21, 2008, at A29 (political videos being removed from YouTube); Letter from Trevor Potter, John McCain presidential campaign to Chad Hurley, Chief Executive Officer, YouTube (Oct. 13, 2008), (arguing that McCain campaign videos are being removed from YouTube by takedown notices but should be left online because they are fair use), available at <http://www.eff.org/files/McCain%20YouTube%20copyright%20letter%2010.13.08.pdf>.

17. Steven Seidenberg, *Copyright in the Age of YouTube*, ABA J., Feb. 2009, at 46, 48 (explaining that the title of the students' video suggested the video contained copyrighted Olympic material, but "a cursory look at the video would have demonstrated otherwise").

18. *Id.*

19. 17 U.S.C. § 512(g) (2006).

20. *See* § 512(g)(2) (the statute only requires the ISP to notify the user of the takedown).

21. *See* Urban, *supra* note 9, at 679 ("[C]oncerns . . . about the number of flaws revealed in our data would be somewhat diminished if we had found evidence of counter notices and putback." The authors speculated the lack of evidence of counter notices could be due to the particular sample of their data).

the DMCA requires ISPs to close the accounts of so-called repeat infringers,²² without defining what a repeat infringer is.²³ So ISPs close users' accounts simply in response to receiving multiple takedown notifications, whether or not the users were infringing anyone's copyright.²⁴

In August 2008 the case law took a dramatic turn. Internet user Stephanie Lenz challenged a takedown notification on the grounds of fair use, and the U.S. District Court for the Northern District of California denied defendant Universal Music Corporation's motion to dismiss.²⁵ Lenz stated a valid claim by arguing that Universal could not have believed *in good-faith* that Lenz's home video of her child dancing infringed the copyright of the video's background music, the Prince song "Let's Go Crazy."²⁶ This was the first successful, real claim attacking good-faith belief in the ten years since the DMCA was enacted.²⁷

This paper proposes that, given the extrajudicial nature of the takedown process, the proper standard for sending a takedown notification is for copyright owners to conduct an initial review of the website sufficient to form a good-faith belief. In addition, courts should allocate the burden of proving the copyright owner's good-faith belief on the copyright owner, not on the Internet user.

22. § 512(i)(1)(A) ("The limitations on liability established by this section shall apply to a service provider only if the service provider . . . has adopted and reasonably implemented . . . a policy that provides for the termination in appropriate circumstances of subscribers and account holders of the service provider's system or network who are repeat infringers.").

23. David Nimmer, *Repeat Infringers*, 52 J. COPYRIGHT SOC'Y U.S.A. 167, 170 (2005) (calling the repeat-infringer provision, 17 U.S.C. § 512(i), "entirely fuzzy" and an "amorphous legacy from Congress").

24. *E.g.*, Perfect 10, Inc. v. CCbill, 340 F. Supp. 2d 1077, 1088 (C.D. Cal. 2004) (when the ISP IBill receives a DMCA notification after having received previous complaints about the same client, it terminates the client's account). David Nimmer says IBill's policy is "unobjectionable." Nimmer, *supra* note 23, at 215 n.223. See also Vernor v. Autodesk, Inc., 555 F. Supp. 2d 1164, 1165-66 (W.D. Wash. 2008); Chloe Albanesius, PC MAGAZINE.COM, *Judge: Veoh's Transcoding Is Not Piracy*, Aug. 28, 2008, <http://www.pcmag.com/article2/0,2817,2329129,00.asp> (When "Veoh receives a complaint about a user after a first warning has been issued," it deletes the user's account including all videos and blocks the user's email address.).

25. Lenz v. Universal Music Corp., 572 F. Supp. 2d 1150, 1157 (N.D. Cal. 2008).

26. *Id.* at 1153.

27. Online Policy Group v. Diebold, Inc., 337 F. Supp. 2d 1195, 1203 (N.D. Cal. 2004) (the defendant Diebold "appear[ed] to have acknowledged that at least some of the emails [were] subject to fair use doctrine" and never showed an email that contained protected content); see also Press Release, Electronic Frontier Foundation, Viacom Admits Error—Takes Steps to Protect Fair Use on YouTube (Apr. 23, 2007), available at <http://www.eff.org/deeplinks/2007/04/viacom-admits-error-takes-steps-protect-fair-use-youtube> (MoveOn.org and Brave New Films dismissed their lawsuit against Viacom when Viacom conceded it sent a takedown notification to YouTube in error).

II. THE LAW

A. *The Digital Millennium Copyright Act*

Section 512 of the Digital Millennium Copyright Act was implemented after a perceived breakdown in jurisprudence over how to apply concepts of liability (including contributory and vicarious liability) to ISPs.²⁸ Two cases in particular caused alarm among ISPs: *Playboy Enterprises, Inc. v. Frena*²⁹ in 1993, and *Religious Technology Center v. Netcom On-Line Communication Services*³⁰ in 1995.

In *Frena*, the operator of a discussion group on the Internet³¹ was held directly liable for group members' infringing activities.³² Members were posting copyrighted images owned by Playboy Enterprises,³³ and although the operator claimed he was not aware that the images were being posted,³⁴ his service was distributing and displaying them in violation of the Copyright Act.³⁵ He was found liable for copyright infringement himself,³⁶ notwithstanding his lack of knowledge of the infringing activities.³⁷ Hence *Frena* introduced serious risks for anyone operating email lists, message boards, and other predecessors of services like YouTube, Facebook, and MySpace.

Religious Technology Center was an infringement action against another Internet discussion-group operator, Thomas Klemesrud—and against his ISP, Netcom Communication Services, one of the largest ISPs in the United States at the time.³⁸ Netcom was not found directly liable for copyright infringement, but a genuine issue of fact precluded Netcom's motion for summary judgment as to contributory liability.³⁹ One of the discussion group's members was

28. ROGER E. SCHECHTER & JOHN R. THOMAS, INTELLECTUAL PROPERTY: THE LAW OF COPYRIGHTS, PATENTS AND TRADEMARKS 187 (2003).

29. *Playboy Enter., Inc. v. Frena*, 839 F. Supp. 1552 (M.D. Fla. 1993).

30. *Religious Tech. Ctr. v. Netcom On-Line Commc'n Serv., Inc.*, 907 F. Supp. 1361 (N.D. Cal. 1995).

31. *Playboy*, 839 F. Supp. at 1554.

32. *Id.* at 1559.

33. *Id.* at 1554.

34. *Id.*

35. *Id.* at 1556–57.

36. *Playboy*, 839 F. Supp. at 1559.

37. *Id.* ("It does not matter that Defendant Frena may have been unaware of the copyright infringement. Intent to infringe is not needed to find copyright infringement . . . thus even an innocent infringer is liable.").

38. *Religious Tech. Ctr. v. Netcom On-Line Commc'n Serv., Inc.*, 907 F. Supp. 1361, 1366 (N.D. Cal. 1995). A direct infringement action was also brought against the subscriber to the bulletin-board service, Dennis Erlich. *Id.* at 1365–66.

39. *Id.* at 1361–62.

posting copyrighted Church of Scientology material.⁴⁰ The copyright owner, Religious Technology Center, asked Klemesrud and Netcom to either stop or block the member's posts.⁴¹ Netcom replied that it was unable to "screen" each post individually, nor could it block one member without blocking all of them.⁴² Still the court held that Netcom was potentially liable for contributory infringement because it *may* have known about the infringing messages.⁴³ Netcom had been notified of the infringing activity⁴⁴ and it substantially participated in infringement by circulating the messages.⁴⁵

These and similar cases caused ISPs to lobby Congress for immunity from lawsuits based on Internet users' actions.⁴⁶ It worked. The Senate report pertaining to the DMCA states, "without clarification of their liability, service providers may hesitate to make the necessary investment in the expansion of the speed and capacity of the Internet. In the ordinary course of their operations service providers must engage in all kinds of acts that expose them to potential copyright infringement liability."⁴⁷ Congress also recognized that ISPs' actions are automatized, writing "[t]he DMCA was enacted . . . to provide immunity to service providers from copyright infringement liability for 'passive,' 'automatic' actions in which a service provider's system engages through a technological process initiated by another without the knowledge of the service provider."⁴⁸

The section of the DMCA concerning takedown notifications is 17 U.S.C. § 512: "Limitations on liability relating to material online."⁴⁹ Congress drafted four subsections that provide safe harbors for the types of actions engaged in by ISPs. The first, § 512(a), provides protection for the transmission and routing of digital information through an ISP's network.⁵⁰ An example of this would be the transmission and routing of email. The second, § 512(b), provides protection for "system caching," which means the temporary storage

40. *Id.* at 1365.

41. *Id.* at 1366.

42. *Religious Tech. Ctr.*, 907 F. Supp. at 1366.

43. *Id.* at 1374-75.

44. *Id.* at 1374.

45. *Id.* at 1375 (comparing Netcom to a radio station rebroadcasting infringing programs).

46. S. REP. NO. 105-90, at 8-9 (1998) ("Title II . . . reflects 3 months of negotiations supervised by Chairman Hatch and assisted by Senator Ashcroft among the major copyright owners and the major OSP's and ISP's.").

47. *Id.* at 8.

48. H.R. REP. NO. 105-551 pt.1, at 11 (1998) (quoted in *ALS Scan, Inc. v. RemarQ Comty. Inc.*, 239 F.3d 619, 625 (4th Cir. 2001)).

49. 17 U.S.C. § 512 (2006).

50. § 512(a) ("A service provider shall not be liable . . . for infringement of copyright by reason of the provider's transmitting, routing, or providing connections for, material through a system or network .").

of material on a network.⁵¹ Often material is stored on a network temporarily to allow Internet users to retrieve web pages more quickly. The third, § 512(c), is the main section concerning takedown notifications and is titled, “Information Residing on Systems or Networks at Direction of Users.”⁵² This section affects the actual website content posted by Internet users.⁵³ Finally, the fourth section, § 512(d), describes information-location tools, such as search engines. Liability is excused for referring or linking users to other websites that contain infringing material.⁵⁴

The third section, § 512(c), contains the notice-and-takedown protocol and the good-faith-belief requirement discussed in this article. It provides that ISPs are not monetarily liable for infringing material stored “at the direction of a user” on the ISP’s systems as long as the ISP does not know about infringing material,⁵⁵ does not receive direct financial benefit from them,⁵⁶ and expeditiously removes any allegedly infringing material upon notification.⁵⁷

Section 512 describes the proper elements of a takedown notification. The notification must be a written communication that states the “complaining party” has a “good faith belief” that “use of the material in the manner complained of is not authorized by the copyright owner, its agent, or the law.”⁵⁸ Parties who do not have a good-faith belief that material on a website is infringing are subject to liability under § 512(f). Specifically, any person who “knowingly materially misrepresents” to an ISP that material or activity is infringing is liable for damages incurred by the alleged infringer.⁵⁹

Several cases since 1998 illustrate how the DMCA’s § 512 has been treated in the courts.

B. *Diebold*

In *Online Policy Group v. Diebold*,⁶⁰ the U.S. District Court of the Northern District of California held that the copyright holder, Diebold, Inc.,

51. § 512(b)(1) (“A service provider shall not be liable . . . for infringement of copyright by reason of the intermediate and temporary storage of material on a system or network.”).

52. § 512(c)(1) (“A service provider shall not be liable . . . for infringement of copyright by reason of the storage at the direction of a user.”).

53. § 512(b)(1)(A) (“the material is made available online by a person other than the service provider”).

54. § 512(d).

55. § 512(c)(1)(A)(i).

56. § 512(c)(1)(B).

57. § 512(c)(1)(C).

58. § 512(c)(3)(A)(v). There are other requirements for the takedown notification, but they are not relevant to this article.

59. § 512(f). Liability for knowing material misrepresentations under this section applies equally to Internet users who submit a counter notification to their ISP to have their material restored online.

60. *Online Policy Group v. Diebold, Inc.*, 337 F. Supp. 2d 1195 (N.D. Cal. 2004).

had violated the DMCA by sending a false takedown notification.⁶¹ Diebold manufactures electronic voting machines, and to its chagrin, internal company emails that expressed concerns about security issues with the machines were leaked and posted on the Internet.⁶² Two college students posted the emails on their websites, where an online newspaper called IndyMedia found them and used them in an article criticizing Diebold.⁶³ Diebold issued a takedown notification to IndyMedia's ISP, Online Policy Group ("OPG"), causing the students and OPG to sue Diebold for knowingly misrepresenting copyright infringement.⁶⁴ In court, Diebold never produced specific emails that contained copyrighted content⁶⁵ and even admitted that some emails were publishable under fair use.⁶⁶

The court then held that Diebold had knowingly misrepresented infringing activity by sending the takedown notification. It examined the meaning of a "knowing misrepresentation" under § 512(f)⁶⁷: "'Knowingly' means that a party actually knew, should have known if it acted with reasonable care or diligence, or would have had no substantial doubt had it been acting in good faith, that it was making misrepresentations."⁶⁸ Since some emails were "clearly subject to the fair use exception,"⁶⁹ and Diebold had admitted this, it was simple for the court to conclude that Diebold knew they were misrepresenting the infringement claim in their takedown notices.⁷⁰ The fact that Diebold never filed suit against the alleged infringers also weighed against them.⁷¹

This apparent victory for Internet users accused of copyright infringement applied an objective reasonable-person standard. The court said "no reasonable copyright holder" could have believed that emails discussing technical details of voting machines were protectable under copyright law,⁷² an analysis incorporating reasonableness from the definition of constructive

61. *Id.* at 1203.

62. *Id.* at 1197.

63. *Id.* at 1197–98.

64. *Id.* at 1198.

65. *Online*, 337 F. Supp. 2d at 1203.

66. *Id.*

67. *Id.* at 1204.

68. *Id.* (using the definitions of actual and constructive knowledge from *Black's Law Dictionary*).

69. *Id.*

70. *Online*, 337 F. Supp. 2d at 1204.

71. *Id.* at 1204–05 ("The fact that Diebold never . . . brought suit against any alleged infringer suggests strongly that Diebold sought to use the DMCA's safe harbor provisions—which were designed to protect ISPs, not copyright holders—as a sword to suppress publication of embarrassing content rather than as a shield to protect its intellectual property.").

72. *Id.* at 1204.

knowledge.⁷³ The court's finding that Diebold violated the DMCA's knowing-misrepresentation clause seemed to herald hope for future Internet users against oppressive takedowns.⁷⁴ Only three months later, that hope was dashed.

C. *Michael Rossi*

*Rossi v. Motion Picture Association of America*⁷⁵ was the first case that directly addressed the good-faith-belief language in the DMCA.⁷⁶ The DMCA says the copyright owner who sends a takedown notification must have a "good faith belief that use of the material in the manner complained of is not authorized by the copyright owner, its agent, or the law."⁷⁷ In affirming the district court's grant of summary judgment for the copyright owner, the Ninth Circuit held that only a subjective standard, not an objective reasonableness standard, is required.⁷⁸

Plaintiff Michael Rossi's website, InternetMovies.com, was shut down by Rossi's ISP in response to a takedown notification from the Motion Picture Association of America ("MPAA").⁷⁹ The MPAA believed its copyrighted movies were being distributed illegally through Rossi's website. The website teased in numerous places, "Join to download full length movies online now! new movies every month," "Full Length Downloadable Movies," and "NOW DOWNLOADABLE," while showing images from the movies.⁸⁰ In fact, however, no movies were available.⁸¹ Rossi therefore argued that the MPAA "did not have sufficient information to form a good faith belief."⁸² It could not have formed a good-faith belief that InternetMovies.com was infringing copyrighted works without clicking on and accessing the suspicious links.⁸³ According to Rossi, good-faith belief should include a reasonable investigation of the website.⁸⁴

73. BLACK'S LAW DICTIONARY 950 (9th ed. 2009) ("Knowledge that one using reasonable care or diligence should have, and therefore that is attributed by law to a given person.").

74. Electronic Frontier Foundation, *Online Policy Group v. Diebold*, <http://www.eff.org/cases/online-policy-group-v-diebold> ("This landmark case set a precedent that allows other Internet users and their ISPs to fight back against improper copyright threats.").

75. *Rossi v. Motion Picture Ass'n of Am., Inc.*, 391 F.3d 1000 (9th Cir. 2004).

76. *Id.* at 1004.

77. 17 U.S.C. § 512(c)(3)(A)(v) (2006) (emphasis added).

78. *Rossi*, 391 F.3d at 1007.

79. *Id.* at 1001–02.

80. *Id.* at 1002.

81. *Id.* at 1003.

82. *Id.* The district court had previously decided that the MPAA "had more than a sufficient basis to form the required good-faith belief." *Id.* at 1002 (quoting *Rossi v. Motion Picture Ass'n of Am., Inc.*, 67 U.S.P.Q. 1047, 1050 (D.Haw. 2003)).

83. *Rossi*, 391 F.3d at 1003.

84. *Id.*

But the court held the MPAA only needed to meet a subjective standard before sending its takedown notification for several reasons.⁸⁵ First because federal statutes use subjective good faith and objective reasonableness as distinct standards.⁸⁶ So Congress would not have written “good faith” in the statute if it had meant “reasonable belief.” Second because the liability section of the DMCA, § 512(f), states that damages may be imposed only if the copyright holder *knowingly materially misrepresents* activities cited in the takedown notification.⁸⁷ Knowing misrepresentation is incompatible with Rossi’s suggested reasonableness standard; a belief may be unreasonable without being a knowing misrepresentation that triggers liability under § 512(f).⁸⁸ Such a result would render the good-faith-belief requirement in § 512(c) meaningless.

The court also said it would be unfair to make copyright owners liable for being unreasonable in their belief. “A copyright owner cannot be liable simply because an unknowing mistake is made.”⁸⁹ Subjective good faith having been established, Rossi was unable to raise a genuine issue of material fact whether the MPAA had knowingly misrepresented that material or activity was infringing. The Ninth Circuit granted the MPAA’s motion for summary judgment.⁹⁰

The *Rossi* opinion concludes with a reminder that Congress intended to protect Internet users accused of infringement from “*subjectively* improper actions by copyright holders.”⁹¹ Later cases and egregious takedowns suggest that such protection has not been taking place, as courts and copyright owners have relied heavily on *Rossi*’s subjective good-faith standard.

D. *Karen Dudnikov & Troy Augusto*

In *Dudnikov v. MGA Entertainment*, the District Court of Colorado granted summary judgment for the copyright holder MGA Entertainment on the plaintiffs’ knowing misrepresentation claim.⁹² Unfortunately for the plaintiffs, the court only cited the belief by an MGA attorney that infringement was taking place, without any facts and without considering the plaintiffs’ first-sale

85. *Id.* at 1004.

86. *Id.*

87. 17 U.S.C. § 512(f) (2006) (“Any person who knowingly materially misrepresents under this section that material or activity is infringing . . . shall be liable for any damages, including costs and attorneys’ fees, incurred by the alleged infringer, by any copyright owner or copyright owner’s authorized licensee, or by a service provider.”).

88. *Rossi*, 391 F.3d at 1004–05.

89. *Id.* at 1005.

90. *Id.* at 1007.

91. *Id.* at 1005.

92. *Dudnikov v. MGA Entm’t, Inc.*, 410 F. Supp. 2d 1010, 1018 (D. Colo. 2005).

defense.⁹³ The plaintiffs, Karen Dudnikov and Michael Meadors, were selling a fleece hat on eBay bearing a copyright-protected appliqué of a “Bratz” character on it.⁹⁴ MGA held copyright and trademark rights in the Bratz characters, and when MGA discovered the auction it sent a notification to eBay to have the sale stopped.⁹⁵ The plaintiffs sued, claiming MGA ignored “copyright law in an attempt to control the on-line auction market.”⁹⁶ They were entitled by fair use and the first-sale doctrine to sell the fleece hat.⁹⁷

The court applied the subjective good-faith standard established in *Rossi*.⁹⁸ “[T]he *Rossi* decision [is] on point with regard to the salient issue in this case: whether MGA was entitled, based on its good-faith belief that infringement was occurring, to terminate the eBay auction of plaintiffs’ fleece hat.”⁹⁹ MGA had apparently relied on the good-faith belief of its attorney,¹⁰⁰ and that is all it needed. The court imposed the burden of proof on the plaintiffs to support their claim with “substantial evidence” that MGA had knowingly misrepresented copyright infringement.¹⁰¹ They had to “demonstrate material facts.”¹⁰² The plaintiffs were unable to raise a genuine issue of fact and lost on summary judgment.¹⁰³ Their fair-use and first-sale arguments were not addressed, brushed off like lint from a fleece hat.

Three years later the District Court for the Central District of California accepted a plaintiff’s first-sale defense, in *UMG Recordings v. Augusto*,¹⁰⁴

93. *Id.* at 1013. “The plaintiffs lawfully acquired the applique . . . [T]he subsequent re-sale of the item falls wholly under the First Sale Doctrine.” Complaint of Tortious Business Interference, Outrageous Conduct, Negligent Misrepresentation and Fraudulent Misrepresentation Under Colorado Law and Perjury under 17 U.S.C. § 512 at 11, *Dudnikov v. MGA Entm’t, Inc.*, 410 F. Supp. 2d 1010 (D. Colo. Dec. 10, 2003) (No. 03-D-2512) [hereinafter Complaint of Tortious Business Interference]. In copyright law, the first-sale doctrine is “[t]he rule that the purchaser of a physical copy of a copyrighted work, such as a book or CD, may give or sell that copy to someone else without infringing the copyright owner’s exclusive distribution rights.” BLACK’S LAW DICTIONARY 711 (9th ed. 2009). The first-sale doctrine is included in the Copyright Act of 1976, 17 U.S.C. § 109(a) (2006).

94. *Dudnikov*, 410 F. Supp. 2d at 1011.

95. *Id.* MGA notified eBay using eBay’s Verified Rights Owner’s Program, yet the court construed the notification as a DMCA takedown. It applied both § 512(f), prohibiting “knowing material misrepresentations that a material or activity is infringing,” and § 512(c)(3)(A)(v), requiring “good faith belief,” to MGA’s notification. *Id.* at 1011–12.

96. *Id.* at 1011.

97. Complaint of Tortious Business Interference, *supra* note 93, at 5–6, 11.

98. *Dudnikov*, 410 F. Supp. 2d at 1012. The magistrate judge who first ruled on the case noted the lack of authority on this issue and considered *Rossi*. *Id.* at 1016 n.3.

99. *Id.* at 1017.

100. *Id.*

101. *Id.* at 1012.

102. *Id.* at 1013.

103. *Id.*

104. *UMG Recordings, Inc. v. Augusto*, 558 F. Supp. 2d 1055 (C.D. Cal. 2008).

finding no copyright infringement. But it also relied on *Rossi* in holding that the copyright owner had not knowingly misrepresented its infringement claim.¹⁰⁵

In June 2008, UMG Recordings sued Troy Augusto for copyright infringement for selling “personal use only” promotional CDs on eBay.¹⁰⁶ UMG had sent the CDs to key individuals hoping to produce publicity for the upcoming public release of the official CDs.¹⁰⁷ Augusto bought the CDs from shops and sold them on eBay as “rare collectibles.”¹⁰⁸

In response to UMG’s suit, Augusto counterclaimed that UMG had knowingly misrepresented copyright infringement when it sent a DMCA takedown notification to eBay and squelched Augusto’s auctions.¹⁰⁹ Relying on the subjective good-faith standard, the court granted summary judgment in favor of UMG on Augusto’s counterclaim.¹¹⁰ While the court did not seem to impose a burden of proof on UMG, it found that UMG had sufficient information to form its good-faith belief: (1) Augusto had once admitted that selling promotional CDs was copyright infringement, (2) the wording on the promotional CDs led UMG to believe it held copyright interests in the CDs, and (3) “UMG . . . carefully documented Augusto’s actions in preparation for this lawsuit.”¹¹¹

Augusto responded that since the first-sale doctrine gave him the right to sell the CDs, UMG’s takedown notification was a knowing misrepresentation.¹¹² Yet, much as fair use determinations are not always clear, the law of the first-sale doctrine was unclear in this particular context,¹¹³ and because UMG had factually demonstrated its subjective good-faith belief, the court granted summary judgment for UMG.¹¹⁴

This ruling was an improvement over *Dudnikov* because the court considered the evidentiary basis for UMG’s good-faith belief; it did not simply accept an attorney’s self-serving statement. Also unlike *Dudnikov*, the court credited the first-sale doctrine, even though it ultimately found the law was not

105. *Id.*

106. UMG labeled the promotional CDs “personal use only,” and said that “[r]esale or transfer [was] not allowed.” *Id.* at 1058.

107. *Id.*

108. *Id.*

109. *UMG Recordings*, 558 F. Supp. 2d at 1058. *Id.*

110. *Id.* at 1065.

111. *Id.*

112. *Id.*

113. The court had to determine, among other things, whether the language on the promotional CDs created a license or a sale according to “economic realities.” *Id.* at 1060.

114. *Id.* at 1065 (“Augusto’s allegations . . . do not create a genuine issue of material fact . . . given the uncertainty of the law in this area.”).

clear enough to impute knowing misrepresentation and bad-faith belief to the copyright owner.

III. STEPHANIE LENZ

This brings us to *Lenz v. Universal Music Corporation*,¹¹⁵ also known as the “Dancing Baby Case.” In *Lenz*—which is still being litigated at this time¹¹⁶—the plaintiff, Stephanie Lenz, survived a motion to dismiss her complaint, which stated that Universal Music Corporation knowingly misrepresented that Lenz’s video infringed its copyright. In February 2007, Stephanie Lenz posted a video to the YouTube website for her friends and family to see her one-year-old son, Holden, dancing.¹¹⁷ In the background one can hear about 20 seconds of Prince’s song “Let’s Go Crazy.”¹¹⁸ Universal sent a takedown notification¹¹⁹ to YouTube to have the video removed.¹²⁰ YouTube removed the video one day later and alerted Ms. Lenz that “any repeated incidents of copyright infringement could lead to the deletion of her account and all her videos.”¹²¹ After consulting an attorney, Ms. Lenz sent a counter notification pursuant to § 512(g)(3) to have her video re-posted, which YouTube eventually did six weeks later.¹²² She then brought a lawsuit against Universal in July 2007 for violating the DMCA’s knowing-misrepresentation clause in § 512(f), which the court dismissed with leave to amend.¹²³ Lenz had relied on the definition of “knowledge” in the *Diebold* case, saying Universal “knew or should have known” that Lenz’s video was not infringing.¹²⁴ But *Diebold* was distinguishable; for instance, Diebold’s emails were not protected

115. *Lenz v. Universal Music Corp.*, 572 F. Supp. 2d 1150 (N.D. Cal. 2008).

116. See *Lenz v. Universal Music Corp.*, No. C 07-03783 JF (PVT), 2010 U.S. Dist. LEXIS 47873 (N.D. Cal. April 20, 2010).

117. *Lenz*, 572 F. Supp. 2d at 1152.

118. The court noted that the song can only be heard “with difficulty.” *Id.*

119. The court rejected Universal’s argument that its notice was not a DMCA takedown notification. Notice of Motion and Motion to Dismiss Plaintiffs’ Second Amended Complaint Pursuant to Fed. R. Civ. Proc. 12(B)(6) at 1, *Lenz*, 572 F. Supp. 2d 1150 (N.D. Cal. 2008) (Case No. CV 07-03783), 2008 WL 2242356.

120. *Lenz*, 572 F. Supp. 2d at 1152.

121. *Id.*

122. It is unclear why replacing the video took YouTube so long. The putback provision of § 512 only relieves service providers of liability for removal of material if the provider follows the steps outlined in § 512(g)(2)—one of which is to replace the removed material in *not more than 14 business days* following receipt of the counter notification (unless the sender of the takedown notification petitions for a court order to restrain the subscriber from further infringement). 17 U.S.C. § 512(g)(2)(C) (2006).

123. *Lenz v. Universal Music Corp.*, No. C 07-03783, 2008 WL 962102, at *1–*3 (N.D. Cal. Apr. 8, 2008).

124. *Id.* at *2.

by copyright, whereas Prince's song was clearly protected.¹²⁵ And most importantly Lenz had failed to "allege facts from which misrepresentation may be inferred,"¹²⁶ having only pleaded fair use was "self-evident."¹²⁷

After Lenz filed a renewed complaint, Universal fired back its second motion to dismiss.¹²⁸ This time, however, on August 20, 2008, Judge Fogel denied the motion.¹²⁹ Lenz's complaint again alleged that Universal knowingly misrepresented that her video was infringing in violation of § 512(f).¹³⁰ The court phrased the issue as "[w]hether § 512(c)(3)(A)(v) requires a copyright owner to consider the fair use doctrine in formulating a good faith belief that 'use of the material in the manner complained of is not authorized by the copyright owner, its agent, or the law.'"¹³¹ Universal did not consider the law, Lenz challenged, specifically the fair-use exception to copyright infringement. It was only acting to appease its client Prince. Prince had been outspoken about keeping his music off of the Internet,¹³² and Lenz quoted Universal saying,

Prince believes it is wrong for YouTube . . . to appropriate his music without his consent. That position has nothing to do with any particular video that uses his songs. It's simply a matter of principle That's why, over the last few months, we have asked YouTube to remove thousands of different videos that use Prince music without his permission.¹³³

Whether the copyright holder must consider fair use before sending a takedown notification was an issue of first impression.¹³⁴ Universal responded that § 512(c)(3)(A) does not mention fair use, and that fair use should only become a consideration after a takedown notification is sent, when the copyright holder is considering whether to file suit.¹³⁵ The court looked at the wording of the statute, which says "authorized by . . . the law."¹³⁶ And the law

125. *Id.* at *3.

126. *Id.*

127. *Id.* at *2–*3.

128. *Lenz v. Universal Music Corp.*, 572 F. Supp. 2d 1150, 1153 (N.D. Cal. 2008).

129. *Id.* at 1151.

130. *Id.* at 1153.

131. *Id.* at 1154 (emphasis added) (quoting 17 U.S.C. § 512(c)(3)(A)(v) (2006)).

132. *Id.* at 1152; see also Chris Francescani, *The Home Video Prince Doesn't Want You to See*, ABC NEWS, Oct. 26, 2007, <http://abcnews.go.com/TheLaw/story?id=3777651&page=2> ("A well-placed source directly involved in the situation confirmed to ABC News that Prince was directly involved in seeking the takedown of Lenz's video. 'This guy scours the Internet,' the source said of the legendary artist, who once changed his name to an unpronounceable symbol and wrote the word 'Slave' on his cheek until he won back the rights to his music from another publishing company.").

133. *Lenz*, 572 F. Supp. 2d at 1152–53 (quoting Francescani, *supra* note 132).

134. *Id.* at 1154.

135. *Id.*

136. *Id.*

in question is section 107 of the Copyright Act of 1976, describing fair use.¹³⁷ “An allegation that a copyright owner acted in bad faith by issuing a takedown notice without proper consideration of the fair use doctrine thus is sufficient to state a misrepresentation claim pursuant to Section 512(f) of the DMCA.”¹³⁸ By requiring consideration of fair use, the DMCA successfully balances copyright owners’ need to react quickly to potential infringement against Internet users’ interest in “not having material removed without recourse.”¹³⁹

Whether an allegedly infringing work satisfies fair use is fact specific,¹⁴⁰ and Universal expressed concern that it would not be able to know whether potentially infringing material posted to the Internet was fair use.¹⁴¹ Even if a copyright holder such as Universal did turn out to be wrong on such a question, however, being wrong is not *subjective bad faith* as required by *Rossi*.¹⁴² The court added,

The DMCA already requires copyright owners to make an initial review of the potentially infringing material prior to sending a takedown notice; indeed, it would be impossible to meet any of the requirements of Section 512(c) without doing so. A consideration of the applicability of the fair use doctrine simply is part of that initial review.¹⁴³

There was just enough evidence of “bad faith and deliberate ignorance” in Lenz’s complaint to survive dismissal.¹⁴⁴ Lenz pointed out that Universal is a sophisticated corporation familiar with copyright actions, and the fact that Prince was vocal about protecting his work suggested that Universal was merely appeasing him.¹⁴⁵ The court concluded by saying “[it] has considerable doubt that Lenz will be able to prove that Universal acted with the subjective bad faith required by *Rossi*, and following discovery her claims well may [*sic*] be appropriate for summary judgment.”¹⁴⁶

A copyright scholar once said that determining what is fair use is like trying to nail jelly to a wall.¹⁴⁷ Even so, it will be a shame if this case turns out

137. *Id.*

138. *Lenz*, 572 F. Supp. 2d at 1154–55.

139. *Id.* at 1155 (quoting S. REP. NO. 105-190, at 21 (1998)).

140. *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 577 (1993) (“The task is not to be simplified with bright-line rules, for the statute, like the doctrine it recognizes, calls for case-by-case analysis.” (citations omitted)).

141. *Lenz*, 572 F. Supp. 2d at 1155. Of course this is the same as the uncertainty about the first-sale doctrine in *UMG v. Augusto*.

142. *Id.*

143. *Id.*

144. *Id.* at 1156.

145. *Id.*

146. *Lenz*, 572 F. Supp. 2d at 1156.

147. Prof. Francis M. Nevins, Copyright lecture at St. Louis University School of Law (Spring 2009).

like *Augusto*—that because of uncertainty in the law, the copyright owner did not knowingly misrepresent infringement in its takedown notification. Joseph Gratz, former chair of the ABA Section of Intellectual Property Law’s Special Committee on the Digital Millennium Copyright Act, remarked, “If an attorney for Universal had examined the video, counsel would have recognized that the snippet of a Prince song . . . was almost certainly not infringement, but fair use.”¹⁴⁸ Hence “[b]uilding some due process back into the system is necessary.”¹⁴⁹

IV. ANALYSIS

The scarcity of judgments in favor of Internet users¹⁵⁰ shows that proving copyright owners’ subjective bad faith is extremely challenging. The plaintiffs in *Online Policy Group v. Diebold* succeeded only because the defendant admitted that its emails were not protected by copyright law.¹⁵¹ Since the DMCA was enacted in 1998, Diebold has been the only sender of a takedown notification held liable for knowing misrepresentation of claimed infringement or bad-faith belief, even though copyright owners have been sending *millions* of takedown notifications.¹⁵² One study found that over one-third of takedown notifications contained major flaws.¹⁵³ The same study observed that 41% of notifications targeted business competitors,¹⁵⁴ which prompts the question whether the senders were trying to protect their intellectual property in good faith. Can it be true that so many copyright owners, sending so many flawed notifications, so seldom misrepresent infringement claims?

A. Factual Basis for Good-Faith Belief

There is tension between *Rossi v. Motion Picture Association of America* and *Lenz v. Universal Music Corporation* over what copyright owners must do before they can justifiably send a takedown notification. According to *Rossi*, the copyright owner only needs subjective good-faith belief and does not need to conduct a full investigation of the website, let alone consider defenses such

148. Seidenberg, *supra* note 17, at 48.

149. Urban & Quilter, *supra* note 9, at 689.

150. One business owner whose website was removed due to a competitor’s takedown notifications was unable to cite any cases in support of his claim of knowing misrepresentation against the competitor. *Biosafe-One, Inc. v. Hawks*, 524 F. Supp. 2d 452, 468 (S.D.N.Y. 2007) (noting the case law in the circuit was “sparse”).

151. *Online Policy Group v. Diebold, Inc.*, 337 F. Supp. 2d 1195, 1203 (N.D. Cal 2004).

152. Delaney, *supra* note 11 (copyright-enforcement company Bay TSP sends over one million takedown notices each month); Greg Sandoval, *For YouTube Videos, a “Fair Use” Boost*, CNET NEWS, (2008), http://news.cnet.com/8301-1023_3-10022304-93.html (Viacom has sent 350,000 takedown notices to YouTube).

153. Urban & Quilter, *supra* note 9, at 666.

154. *Id.* at 655.

as fair use. But in order to have good faith, the copyright owner must have reviewed the offending website to some degree. The question is, to what degree?

When discussing *Rossi*, commentators do not discuss the MPAA's actual review of Michael Rossi's website. Typically they state broadly that the holding of *Rossi* was a subjective good-faith standard.¹⁵⁵ Even *Lenz* cites *Rossi* that way.¹⁵⁶ In fact a third party notified the MPAA of possible infringement by Rossi, and in response an MPAA employee personally reviewed the website.¹⁵⁷ The website's text claimed that full movies were "NOW DOWNLOADABLE."¹⁵⁸ The court said such claims virtually compelled the conclusion that movies were being distributed in violation of copyright.¹⁵⁹

Rossi argued that all the MPAA had to do was click the links on the website to verify that no movies were actually available. Indeed, not clicking the links suggests that a superficial look at a website suffices to form a good-faith belief. But in order to access those links, the MPAA employee would have had to register with Rossi's website and agree to his terms of service.¹⁶⁰ Registering with the website is exactly the kind of onerous requirement that would hinder copyright owners from adequately protecting their work. Thus the commonly stated subjective-good-faith holding is only part of the *Rossi* holding. The MPAA did review the website, was misled, and had a factual basis for its good-faith belief.¹⁶¹

The *Lenz* court does not speak about a factual basis for good-faith belief, even though it said the copyright owner must conduct an "initial review" of the potentially infringing website.¹⁶² The court did not discuss the steps Universal went through to identify infringing material in the video. But *Lenz* only decided the sufficiency of the complaint, whereas in *Rossi* it was a motion for summary judgment and more facts were available. As discussed above, in *Rossi* the MPAA employee personally read Rossi's website (although he or she did not register). And claims on the website compelled the conclusion that

155. See, e.g., Matt Williams, *The Truth and "Truthiness" About Knowing Material Misrepresentations*, 9 N.C. J. LAW & TECH. 1, 28 (Fall 2007); Charles J. Biederman and Danny Andrews, *Applying Copyright Law to User-Generated Content*, L.A. LAW., May 2008, at 15–16 ("a subjective and not an objective good faith belief is the requisite standard for sending a takedown notice").

156. *Lenz*, 572 F. Supp. 2d at 1155–56.

157. *Rossi*, 391 F.3d at 1005.

158. *Id.*

159. *Id.*

160. Brief of Defendants-Appellees at 30–31, *Rossi v. Motion Picture Ass'n of Am., Inc.*, 391 F.3d 1000 (9th Cir. 2004) (No. 03-16034).

161. *Id.* at 30 (citing *Glus v. Brooklyn E. Dist. Terminal*, 359 U.S. 231, 234–35 (1959)).

162. *Lenz v. Universal Music Corp.*, 572 F. Supp. 2d 1150, 1155 (N.D. Cal. 2008).

movies were being distributed. So the MPAA had some factual basis for its good-faith belief. In *Lenz*, Universal's employees only needed to play the YouTube video to hear Prince's song. There were no misleading claims though. So, assuming employees watched the video, Universal had at least some factual basis for its good-faith belief, but less than the MPAA did. If, on the other hand, they did not watch the video and only read the title, "Let's Go Crazy #1," they had no evidence of infringement, only conjecture and suspicion.

B. Legal Basis for Good-Faith Belief

Unlike *Lenz*, *Rossi* did not address whether the copyright owner must consider fair use and other infringement defenses when sending the takedown notification. The different legal contexts explain this. Namely, fair use was not an available defense in *Rossi* like it was in *Lenz*. Copyright-infringement claims require showing that the defendant violated one of the exclusive rights of the copyright owner: copying, adaptation, distribution, public performance, public display, and public performance via digital-audio transmission.¹⁶³ Only certain defenses are available against each of those exclusive rights. The first-sale defense used in *Augusto*, for instance, is only available against the right of distribution.¹⁶⁴ In *Rossi*, offering illegal movies for download would have violated the MPAA's distribution right,¹⁶⁵ and the fair-use defense is not available against distribution.¹⁶⁶ *Lenz* involved Universal's right to copy, and fair use is often a strong defense against that particular right.¹⁶⁷

163. 17 U.S.C. § 106(1)–(6) (2006) (“[T]he owner of copyright under this title has the exclusive rights to do and to authorize any of the following: to reproduce the copyrighted work . . . to prepare derivative works . . . to distribute copies or phonorecords of the copyrighted work . . . to perform the copyrighted work publicly . . . to display the copyrighted work publicly; and in the case of sound recordings, to perform the copyrighted work publicly by means of a digital audio transmission.”).

164. § 109(a) (“*Notwithstanding the provisions of section 106(3),*” where § 106(3) is the copyright owner’s exclusive right “to distribute copies or phonorecords of the copyrighted work to the public.” (emphasis added). § 106(3).

165. § 106(3) (“[T]he owner of copyright . . . has the exclusive rights . . . to distribute copies and phonorecords of the copyrighted work to the public by sale or other transfer of ownership, or by rental, lease, or lending.”).

166. Distributing an entire copyrighted work almost certainly infringes copyright because “[i]n determining whether the use made of a work . . . is a fair use the factors to be considered shall include . . . the amount and substantiality of the portion used *in relation to the copyrighted work as a whole*.” 17 U.S.C. § 107(3) (2006) (emphasis added); *see also* Harper & Row Publ’rs, Inc. v. Nation Enter., 471 U.S. 539, 548–49 (1985) (magazine’s use of even “generous verbatim excerpts” was not fair use).

167. Notice of Motion and Motion to Dismiss Plaintiffs’ Second Amended Complaint Pursuant to Fed. R. Civ. Proc. 12(B)(6) at 4, *Lenz v. Universal Music Corp.*, 572 F. Supp. 2d

Fair use is described in 17 U.S.C. § 107, which lists four factors to weigh in deciding whether a use is infringing or not: the purpose and character of the use, the nature of the copyrighted work, the amount and substantiality of the portion used in relation to the entire work, and the effect of the use on the potential market for the copyrighted work.¹⁶⁸ The last factor weighs heavily in the fair-use determination,¹⁶⁹ and Stephanie Lenz's video cannot have seriously affected Prince's potential market. Lenz posted the video to share with family members, and perhaps a dozen people would have seen it. In addition, given the low audio quality and shortness of the clip, it could not have substituted for Prince fans purchasing his CDs. Thus in terms of legal defenses, fair use was a strong argument for Lenz that was not available to Rossi.

Now that a court has recognized fair use in an Internet user's complaint, one can ask whether other defenses to infringement must be considered by copyright owners. Need copyright owners consider so-called thin copyright, such as when the work consists largely of facts in the public domain?¹⁷⁰ Short phrases such as titles?¹⁷¹ And other uncopyrightable elements?¹⁷² Not likely. Even Lenz's fair-use argument is unlikely to survive summary judgment according to the judge.¹⁷³ If a major music company's legal department honestly believes a home video of a dancing toddler infringed its copyright, then fair use has negligible meaning. At the current stage of jurisprudence involving the DMCA's takedown provision, it is not likely that thin copyright and other defenses will gain traction for Internet users either. Something more is needed.

C. *Shift the Burden of Proof*

Courts should consider the fact that no judge reviews the allegation in a takedown notification unless litigation ensues. And then the Internet user must attempt to prove the alleged copyright owner's bad faith. To restore balance,

1150 (N.D. Cal. 2008) (Case No. CV 07-03783) (claiming Lenz violated Universal's synchronization right, which derives from the right to copy).

168. § 107.

169. *Harper & Row Publ'rs v. Nation Enter.*, 471 U.S. 539, 566 (1985) ("This last factor is undoubtedly the single most important element of fair use.").

170. *Proven Methods Seminars, LLC v. Am. Grants & Affordable Hous. Inst.*, 519 F. Supp. 2d 1057, 1067 (E.D. Cal. 2007) (denying plaintiff's preliminary injunction because the copyrighted work consisted of facts and ideas in the public domain, rendering copyright protection "thin").

171. 37 C.F.R. § 202.1(a) (2009).

172. *See Biosafe-One, Inc. v. Hawks*, 524 F. Supp. 2d 452, 463–64 (S.D.N.Y. 2007) (allegedly infringing text on competitor's website was industry jargon, as well as minimal, and therefore not infringing).

173. *Lenz v. Universal Music Corp.*, 572 F. Supp. 2d 1150, 1156 (N.D. Cal. 2008).

courts should allocate the burden of proving good-faith belief on the copyright owner. Is it fair for the Internet user to try to prove a subjective belief? To divine whether the copyright owner was being honest? The user can hardly know what steps the copyright owner went through to evaluate the allegedly infringing material; for instance, whether human beings or only computer software scanned the website.¹⁷⁴ One software company that searches the Internet for copyright infringement and piracy says it considers fair use and advises its clients about fair use.¹⁷⁵ But how would a user know such a consultation took place?

During discovery, Lenz moved to compel production of communications between Universal and Prince.¹⁷⁶ Universal claimed attorney-client privilege and work product, and refused. Fortunately it lost that gambit,¹⁷⁷ but it will be easy in the future for copyright owners and agents to structure their communications so that they are privileged. Note also that in *Augusto*, UMG offered evidence that it had “carefully documented Augusto’s actions in preparation for [the] lawsuit.”¹⁷⁸ Had that evidence been harmful to UMG, it could have claimed it was work product.

The copyright owner should be required to describe the steps it took and persuade the court of its good faith by a preponderance of the evidence. This is not a proposal for a reasonable investigation, only that the copyright owner need come forward with evidence sufficient to form a good-faith belief.¹⁷⁹ For legitimate complaints and honest mistakes, this will be easy to do and will not chill the rights of copyright owners;¹⁸⁰ they should already have such information from their initial review of the website, as the DMCA requires.¹⁸¹

174. See *Rossi v. Motion Picture Ass’n of Am., Inc.*, 391 F.3d 1000, 1005 n.7 (9th Cir. 2004) (noting the MPAA initially identifies potentially infringing websites with the Ranger software program, after which employees review the website).

175. Email from James Graham, Principal of Jim Graham Public Relations, to author (Jan. 15, 2009) (on file with *Saint Louis University Public Law Review*).

176. *Lenz v. Universal Music Corp.*, No. C 07-3783 JF (RS), 2009 U.S. Dist. LEXIS 105180 (N.D. Cal. Oct. 29, 2009).

177. *Id.* at *4–*5 (finding that the specific agreement between Universal and Prince was a business agreement, not legal, and rejecting the work-product claim only because Universal failed to raise it earlier).

178. *UMG Recordings, Inc. v. Augusto*, 558 F. Supp. 2d 1055, 1065 (C.D. Cal. 2008).

179. In finding the MPAA had sufficient information, the *Rossi* court first looked at the information on Rossi’s website then at what the MPAA did in response to that information. *Rossi*, 391 F.3d at 1005.

180. See *Online Policy Group v. Diebold, Inc.*, 337 F. Supp. 2d 1195, 1204 (N.D. Cal. 2004) (rejecting “likelihood of success on the merits” as the standard for copyright owners).

181. *Lenz*, 572 F. Supp. 2d at 1155 (“The DMCA already requires copyright owners to make an initial review of the potentially infringing material prior to sending the takedown notice . . .”).

Moreover, in copyright-infringement actions the burden of proof is crucial.¹⁸² For example, because copyright protection does not require approval or verification by a federal authority, as is the case with patents,¹⁸³ plaintiffs who allege copyright infringement must first establish that their work is protectable by copyright. In the seminal *Burrow-Giles Lithographic Co. v. Sarony*, the plaintiff had to establish that his photograph had sufficient “originality,” “intellectual production,” and “conception on the part of the author” to be a protected work under the Copyright Act.¹⁸⁴

Another burden-of-proof issue in copyright litigation arises with the first-sale doctrine. The first-sale doctrine is “[t]he rule that a copyright owner, after conveying the title to a particular copy of the protected work, . . . cannot interfere with later sales or distributions by the new owner.”¹⁸⁵ In civil cases, courts put the burden of proving the first-sale defense on the defendant, as one might expect.¹⁸⁶ Thus the defendant (seller) must prove that the plaintiff (copyright owner) previously conveyed title to copies of the work.¹⁸⁷ In *Augusto*, for example, Augusto needed to prove that UMG had sold or given away its promotional CDs before he bought them. In criminal cases, however, the courts are split over which party should carry that burden.¹⁸⁸

Addressing first sale, Prof. Nimmer suggests the current allocation in civil cases is wrong and that in both civil and criminal cases, the burden of proof should be on the plaintiff-copyright owner instead of the defendant. This means the plaintiff must first prove he or she did *not* sell or give away a copy of the work in question.¹⁸⁹ “It is true that this requires the plaintiff to prove a negative,” Nimmer says, “but the result nevertheless appears justified in that it involves ‘a matter uniquely within the knowledge of the plaintiff.’”¹⁹⁰

182. 3 NIMMER ON COPYRIGHT § 12.11 (“The most critical question in litigation often boils down to which party bears the burden of proof.”); SCHECHTER & THOMAS, *supra* note 28, at 36.

183. *Diebold*, 337 F. Supp. 2d at 1199. See generally *Burrow-Giles Lithographic Co. v. Sarony*, 111 U.S. 53, 59–60 (1884) (the commissioner of patents ensures the validity of patents; whereas copyright law does not have such “examination by a proper tribunal”) (cited in *Feist Publ’ns, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 346–47 (1991)).

184. *Sarony*, 111 U.S. at 58–60. Today registration of copyright establishes the prima facie validity of the copyright. 17 U.S.C. § 410(c) (2006) (cited in 3 NIMMER ON COPYRIGHT § 12.11[A][1]).

185. BLACK’S LAW DICTIONARY 711 (9th ed. 2009); 17 U.S.C. § 109(a).

186. *UMG Recordings, Inc. v. Augusto*, 558 F. Supp. 2d 1055, 1059 (C.D. Cal. 2008).

187. *Id.* He also must prove the copies of the work were lawfully manufactured, that he was the lawful owner of the copies and that he disposed of but did not reproduce additional copies. *Id.*

188. 94 A.L.R. Fed. 101-106 (some courts impose the burden of proof on the government, others on the defendant).

189. 3 NIMMER ON COPYRIGHT § 12.11.

190. *Id.* at 12.11[E]. (quoting *Bell v. Combined Registry Co.*, 397 F. Supp. 1241, 1244 (N.D. Ill. 1975)).

Nimmer's argument carries even stronger force when applied to the DMCA's good-faith requirement. With DMCA takedown notices, if the burden were shifted to the copyright owners, they would not have to prove a negative to demonstrate their good-faith belief. And, as with the first-sale plaintiff, the factual basis of copyright owners' good-faith belief is uniquely within their own knowledge. Only the copyright owners know precisely how they evaluated the website before sending the takedown.

Another reason to shift the burden of proof is the takedown procedure's resemblance to an ex parte temporary restraining order ("TRO"). TROs apply to copyright impoundment actions under Federal Rule of Civil Procedure 65(f).¹⁹¹ They resemble the DMCA's takedown provisions in that their rationale is based on rapid response and preventing economic harm to copyright owners. Giving notice to the alleged infringer can cause counterfeited goods to disappear and be sold before the copyright action can be adjudicated.¹⁹² Proponents of a TRO must meet the same high standard as a preliminary injunction,¹⁹³ including likelihood of success on the merits and a showing of irreparable harm.¹⁹⁴ The key difference between TROs and the current DMCA takedown procedure is that TROs do, in accordance with due process, require approval by a judge. In addition, the TRO plaintiff is subject to sanctions if the judge finds no basis for the copyright-infringement claim.¹⁹⁵

In *Diebold* the plaintiffs argued unsuccessfully that a preliminary-injunction standard should be used to evaluate Diebold's takedown notices.¹⁹⁶ They said Diebold should have shown a likelihood of success on the merits of its copyright-infringement allegation.¹⁹⁷ The court disagreed, saying that such a high standard would "chill the rights of copyright owners"¹⁹⁸ and that it would be equivalent to an objective standard.¹⁹⁹ So copyright owners should not have to meet the high TRO standard. Rather, when copyright owners order the removal of Internet users' online content without an evaluation by a

191. FED. R. CIV. P. 65(b), (f). See, e.g., *Epic Games, Inc. v. Altmeyer*, 2008 WL 4853634 (S.D. Ill. Nov. 5, 2008) ("Rule 65(f) specifically provides that [Rule 65(b)] applies to copyright impoundment proceedings").

192. Harvey Shapiro, *Ex Parte Applications for the Seizure of Counterfeit Goods Under the Copyright Act*, Practising Law Institute, Oct. 2, 2002, Oct. 23, 2002 (PLI Order No. G0-014P).

193. *K-2 Corp. v. Body Glove Int'l, LLC*, 2009 WL 87446, at *2 (W.D. Wash. Jan. 13, 2009).

194. *Id.* (Both the traditional and the alternative tests require the movant to show that it will suffer irreparable harm if relief is denied and that it will "probably prevail on the merits." *Id.* The alternative test also permits relief upon a showing that the balance of hardships "tips sharply in [the movant's] favor"). *Id.*

195. *Bus. Guides, Inc. v. Chromatic Commc'ns Enter., Inc.*, 498 U.S. 533, 553–54 (1991).

196. *Online Policy Group v. Diebold, Inc.*, 337 F. Supp. 2d 1195, 1204 (N.D. Cal 2004).

197. *Id.*

198. *Id.*

199. *Id.* (describing "likelihood of success on the merits" as "objectively measured").

judge—sometimes without any notice to the user²⁰⁰—shifting the burden of proof and requiring copyright owners to substantiate their good-faith belief is an equitable solution.

Finally, it is fundamental to rules of evidence that courts can shift the burden of proof or the burden of production to the party with greater knowledge of the facts or more available evidence.²⁰¹ A party does not generally bear the burden of proof and production on issues “peculiarly within the knowledge the adversary.”²⁰² For example, a bailor alleging a bailee has negligently damaged the bailor’s goods shifts the burden of proof to the bailee merely by showing that the goods were delivered to the bailee intact.²⁰³ This is because circumstances of the damage are peculiarly within the bailee’s knowledge.²⁰⁴ The bailee must then prove that he or she exercised due care.²⁰⁵

In the context of the DMCA, copyright owners know the factual basis of their good-faith belief and have peculiar access to that knowledge. In *Lenz*, Universal knows how it discovered the YouTube video, who reviewed it, whether its legal staff considered fair use, and whether Prince instigated the takedown notification himself. Universal has greater knowledge than Lenz could have, and the facts are peculiarly within Universal’s knowledge. In the case of a bailment, the bailor at least interacts with the bailee and has access to relevant evidence, such as the condition of the building in which the bailee stored the goods. But Stephanie Lenz had never interacted directly with Universal and cannot know the inner workings of Universal’s legal department. She is at a severe disadvantage. Shifting the burden of proof to Universal would be an equitable solution.

This burden shift would make clear when copyright owners cannot establish a *prima facie* case of infringement, as in *Diebold*,²⁰⁶ and when the

200. Chloe Lake, *Bands and Fans Caught in Warner Music Copyright Crackdown on YouTube*, NEWS.COM.AU, Jan. 31, 2009, <http://www.news.com.au/music-silenced-in-youtube-crackdown/story-0-111118708654> (fifteen-year-old Juliet Weybret’s YouTube video of her cover version of “Winter Wonderland” was removed without advance notice, as were official videos uploaded to YouTube by the bands Death Cab for Cutie and Led Zeppelin).

201. 31A C.J.S. *Evidence* § 196 (citing *Amaral v. Cintas Corp.* No. 2, 163 Cal. App. 4th 1157, 1190 (Cal. App. 1 Dist. 2008) (in a dispute between employees and employer over city’s living wage ordinance, the court applied burden shift to the employer to show which employees did and did not work on city projects, because the employer was in the best position to know)).

202. 31A C.J.S. *Evidence* § 203.

203. *Beck v. Wilkins-Ricks Co.*, 102 S.E. 313, 314 (N.C. 1920) (quoting *Hanes v. Shapiro & Smith*, 84 S.E. 33, 37 (N.C. 1915)).

204. *Id.* (citing *Nutt v. Davison*, 131 P. 390, 391 (Colo. 1913)).

205. *Id.* at 315 (“[T]he failure to return the property does devolve upon the defendant the burden of going forward with proof to show that it discharged its duty of requisite care of the property while in its custody.”).

206. *Online Policy Group v. Diebold, Inc.*, 337 F. Supp. 2d 1195, 1203 (N.D.Cal. 2004) (takedown sender never identified emails that were copyrighted).

Internet user has a strong case for fair use, as in *Lenz*.²⁰⁷ It would prevent a case like *Dudnikov* being decided based on the conclusory statement of an attorney.²⁰⁸ Recall that in *Dudnikov* the court imposed the burden of proof on the plaintiffs to support their knowing-misrepresentation claim with “substantial evidence.” Had the burden of proving good faith been put on copyright owner, MGA would have had to explain why the sale of the fleece hat was not permitted by the first-sale doctrine. Assuming MGA had information sufficient to form a good-faith belief, it could still easily have avoided liability. The proposed burden shift would also dissuade frivolous takedown senders who remove campaign videos in the heat of a presidential election, as news stations did to both John McCain and Barack Obama in 2008.²⁰⁹

Despite the importance of burden of proof, the effect of the DMCA’s takedown provisions has been to allow the copyright owners to escape any burden.²¹⁰ The copyright owners send takedown notifications attesting good-faith belief, and the ISPs promptly remove the offending material. If the Internet users sue, they must prove bad faith. To be sure, Congress designed the takedown procedure to protect copyright owners against “massive piracy.”²¹¹ But Congress also provided “important procedural protections for individual Internet users to ensure that they will not be mistakenly denied access to the World Wide Web.”²¹² Those procedural protections, including the good-faith requirement and liability for knowing misrepresentations, ought to be given their due.²¹³ Requiring copyright owners to conduct an initial review of websites sufficient to form good-faith belief and shifting the burden of proving good-faith belief to copyright owners would accomplish Congress’s goal.

V. CONCLUSION

The Supreme Court has recognized fair use as a fundamental protection of the First Amendment against copyright law.²¹⁴ Similarly the U.S. Court of

207. *Lenz v. Universal Music Corp.*, 572 F. Supp. 2d 1150, 1156 (N.D. Cal. 2008) (complaint alleged “sufficient allegations . . . of deliberate ignorance of fair use to survive the . . . motion to dismiss”).

208. *Dudnikov v. MGA Entm’t, Inc.*, 410 F. Supp. 2d 1010, 1013 (D. Colo. 2005).

209. Lessig, *supra* note 16.

210. Ordinarily the plaintiff must prove ownership, authorship, and fixation; or at least submit proof of copyright registration in order to establish a presumption in favor of those elements. SCHECHTER & THOMAS, *supra* note 28.

211. S. REP. NO. 105–90, at 8 (1998).

212. *Id.* at 9.

213. *Lenz v. Universal Music Corp.*, 572 F. Supp. 2d 1150, 1156 (N.D. Cal. 2008).

214. *Eldred v. Ashcroft*, 537 U.S. 186, 190 (2003) (“[C]opyright law contains built-in First Amendment accommodations . . . the ‘fair use’ defense codified at § 107 allows the public to use

Appeals for the Ninth Circuit has underscored that a copyright owner who sends a takedown notification swears under penalty of perjury: “Accusations of alleged infringement have drastic consequences: A user could have content removed, or may have his access terminated entirely. If the content infringes, justice has been done. But if it does not, speech protected under the First Amendment could be removed.”²¹⁵

During the 2008 presidential election campaign, both candidates had campaign videos removed from the Internet due to allegations of copyright infringement.²¹⁶ As political speech, the campaign videos were certainly fair use. Yet that did not temper brazen news stations from sending DMCA takedown notifications to remove the videos. The news stations knew then and know now that the DMCA’s § 512(f) is impotent. Ultimately the burden of proving bad faith is simply too high, and Internet users are not in position to carry it. Perhaps the story of a toddler just learning to walk will help put the First Amendment back on its feet.²¹⁷

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not only facts and ideas contained in a copyrighted work, but also expression itself for limited purposes.”).

215. *Perfect 10, Inc. v. CCBill LLC*, 488 F.3d 1102, 1112 (9th Cir. 2007) (explaining why a DMCA takedown notification is ineffective if the sender has not declared “under penalty of perjury . . . that he has a good-faith belief that the material is unlicensed.”).

216. Lessig, *supra* note 16.

217. Ms. Lenz reports that her son Holden has moved on from Prince and is now grooving to grunge. Francescani, *supra* note 132. Stay tuned.

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